

**Sarasota Family Young Men's  
Christian Association, Inc.**

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**INDEPENDENT AUDITOR'S REPORT,  
FINANCIAL STATEMENTS,  
SUPPLEMENTAL INFORMATION,  
AND CONTRACT COMPLIANCE**

**JUNE 30, 2014 AND 2013**

## **Sarasota Family Young Men's Christian Association, Inc.**

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## **INDEPENDENT AUDITOR'S REPORT**

The Board of Directors  
Sarasota Family Young Men's Christian Association, Inc.  
Sarasota, Florida

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Sarasota Family Young Men's Christian Association, Inc., a nonprofit organization, which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of the YMCA Foundation of Sarasota, Inc., whose net assets in the amount of \$5,710,251 and \$5,113,006, which constitute 32% and 29% of total net assets, and an increase net assets of \$597,245 and a decrease in net assets of \$(4,033,887) as of and for the years ended June 30, 2014 and 2013, respectively, were included in the net assets of the Sarasota Family Young Men's Christian Association, Inc. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included by the YMCA Foundation of Sarasota, Inc., is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement. The audit of the YMCA Foundation of Sarasota, Inc. was conducted in accordance with auditing standards generally accepted in the United States of America.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

The Board of Directors  
Sarasota Family Young Men's Christian Association, Inc.  
Sarasota, Florida

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sarasota Family Young Men's Christian Association, Inc. as of June 30, 2014 and 2013, and the changes in its net assets, functional expenses and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Supplemental and Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state and local financial assistance, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the provisions of the Florida Single Audit Act in accordance with Chapter 98-91 of the Laws of Florida and Section 215.97 of the Florida Statutes, the schedule of subrecipient activity and the schedule of federal awards and state and local financial assistance expenditures by grant/contract number are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2014 on our consideration of Sarasota Family Young Men's Christian Association, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sarasota Family Young Men's Christian Association, Inc.'s internal control over financial reporting and compliance.

Sarasota, Florida  
November 19, 2014

*Kerker Barberio - G.*



**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.****STATEMENTS OF FINANCIAL POSITION****JUNE 30, 2014 AND 2013**

<b>Assets</b>	<b>2014</b>	<b>2013</b>
Cash and cash equivalents (Note 3)	\$ 3,332,351	\$ 1,874,809
Accounts receivable, net (Note 4)	684,154	831,661
Contracts receivable (Note 5)	304,190	404,414
Other assets (Note 7)	365,014	567,540
Note receivable (Note 6)	-	179,292
Investments - partnerships (Note 8)	144,315	835,210
Charitable remainder trust	432,960	-
Assets held for sale (Note 10)	-	975,000
Land, buildings and equipment, net (Note 9)	13,851,124	14,775,302
Beneficial interest in the net assets of YMCA Foundation of Sarasota, Inc. (Note 11)	5,710,251	5,113,006
<b>Total Assets</b>	<b>\$ 24,824,359</b>	<b>\$ 25,556,234</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 775,123	\$ 947,363
Accrued expenses	796,440	820,659
Deferred revenue and government contracts (Note 18)	2,432,446	1,876,692
Custodial liabilities (Note 16)	94,830	96,906
Capital lease obligations payable (Note 13)	142,123	337,727
Notes payable (Note 14)	-	179,292
Bonds payable (Note 15)	2,659,522	3,390,313
Interest rate swap (Note 15)	110,556	122,424
<b>Total liabilities</b>	<b>7,011,040</b>	<b>7,771,376</b>
<b>Net Assets</b>		
Unrestricted		
Undesignated	11,960,865	12,542,704
Beneficial interest in the unrestricted net assets of YMCA Foundation of Sarasota, Inc.	4,329,499	3,690,885
<b>Total unrestricted</b>	<b>16,290,364</b>	<b>16,233,589</b>
Temporarily restricted (Note 20)		
Temporarily restricted net assets	142,203	129,148
Beneficial interest in the temporarily restricted net assets of YMCA Foundation of Sarasota, Inc.	1,098,642	1,140,011
<b>Total temporarily restricted</b>	<b>1,240,845</b>	<b>1,269,159</b>
Permanently restricted (Note 21)		
Beneficial interest in the permanently restricted net assets of YMCA Foundation of Sarasota, Inc.	282,110	282,110
<b>Total permanently restricted</b>	<b>282,110</b>	<b>282,110</b>
<b>Total net assets</b>	<b>17,813,319</b>	<b>17,784,858</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 24,824,359</b>	<b>\$ 25,556,234</b>

The accompanying notes are an integral  
part of these financial statements.

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.****STATEMENTS OF ACTIVITIES****YEARS ENDED JUNE 30, 2014 AND 2013**

	2014	2013
<b>UNRESTRICTED NET ASSETS</b>		
Revenue, Support and Releases		
Contracts and government grants	\$ 28,335,756	\$ 28,323,451
Membership dues, net of scholarships of \$328,336 and \$364,939, respectively	5,592,643	5,761,865
Program fees, net of discounts of \$176,729 and \$186,558, respectively	2,904,721	3,068,447
YMCA Foundation of Sarasota, Inc. grants	859,034	5,309,678
United Way grants	148,949	163,296
Sales of supplies and services, net of cost of sales of \$85,195 and \$102,572, respectively	32,630	41,798
Other revenue	181,186	152,554
Net assets released from restrictions	27,793	109,160
Total revenue, support and releases	<u>38,082,712</u>	<u>42,930,249</u>
Functional Expenses		
Program services	37,746,225	37,838,557
Management and general	1,819,202	1,925,489
Fundraising	44,854	36,005
Total functional expenses	<u>39,610,281</u>	<u>39,800,051</u>
Non-Operating Activities		
Contributions	146,574	372,251
Event income, net of contributions and expenses	(29,851)	(30,236)
In-kind contributions	274,511	148,495
Interest income	7,543	10,086
Gain on disposal of assets	354,480	11,920
Gain (loss) on investment in partnership	180,605	(488,518)
Loss on bond modification	-	(91,169)
Loss on the valuation of assets held for sale	-	(304,103)
Change in the beneficial interest in net assets of YMCA Foundation of Sarasota, Inc.	638,614	(3,956,321)
Total non-operating activities	<u>1,572,476</u>	<u>(4,327,595)</u>
Increase (Decrease) in unrestricted net assets before change in value of interest rate swap	<u>44,907</u>	<u>(1,197,397)</u>
Change in value of interest rate swap	<u>11,868</u>	<u>85,094</u>
Increase (Decrease)	<u>56,775</u>	<u>(1,112,303)</u>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Contributions	40,848	89,581
Change in the beneficial interest in net assets of YMCA Foundation of Sarasota, Inc.	(41,369)	(77,566)
Net assets released from restrictions	<u>(27,793)</u>	<u>(109,160)</u>
Increase (decrease) in temporarily restricted net assets	<u>(28,314)</u>	<u>(97,145)</u>
Increase (decrease) in net assets	<u>28,461</u>	<u>(1,209,448)</u>
Net assets, at the beginning of year	17,784,858	18,994,306
Net assets, at the end of year	<u>\$ 17,813,319</u>	<u>\$ 17,784,858</u>

The accompanying notes are an integral part of these financial statements.

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.****STATEMENTS OF CASH FLOWS****YEARS ENDED JUNE 30, 2014 AND 2013**

	2014	2013
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets	\$ 28,461	\$ (1,209,448)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Depreciation and amortization	1,307,680	1,413,816
Gain on disposal of equipment and assets held for sale	(354,480)	(11,920)
(Gain) loss on investments in partnerships	(201,605)	488,518
Change in the beneficial interest in net assets of YMCA Foundation of Sarasota, Inc.	(597,245)	4,033,887
Bad debts	65,128	40,091
Change in value of interest rate swap	(11,868)	(85,094)
Loss on bond modification	-	91,169
Loss on the valuation of assets held for sale	-	304,103
(Increase) decrease in operating assets		
Accounts and contracts receivable, net	182,603	(100,244)
Note receivable	179,292	5,727
Other assets	183,383	(248,510)
Increase (decrease) in operating liabilities		
Accounts payable	(172,240)	110,348
Accrued expenses	(24,219)	139,947
Funds not yet drawn	-	(209,183)
Deferred revenue and government contracts	555,754	111,447
Custodial liabilities	(2,076)	1,038
Total adjustments	1,110,107	6,085,140
Net cash provided by operating activities	1,138,568	4,875,692
<b>Cash Flows from Investing Activities</b>		
Distribution received from Y Associates	892,500	-
Charitable remainder trust	(432,960)	-
Purchases of land, buildings and equipment	(386,863)	(962,283)
Proceeds from sale of buildings, net	1,362,346	-
Proceeds from disposal of assets	1,300	11,920
Net cash provided by (used in) investing activities	1,436,323	(950,363)
<b>Cash Flows from Financing Activities</b>		
Principal payments of bonds payable	(730,791)	(6,934,687)
Proceeds from bonds payable	-	3,425,000
Payment for interest rate swap	-	(197,645)
Principal payments on notes payable and capital lease obligations payable	(386,558)	(256,797)
Net cash used in financing activities	(1,117,349)	(3,964,129)
Change in cash and cash equivalents	1,457,542	(38,800)
Cash and cash equivalents, at the beginning of year	1,874,809	1,913,609
Cash and cash equivalents, at the end of year	\$ 3,332,351	\$ 1,874,809
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for interest	\$ 131,753	\$ 243,686

Material non-cash transactions not reflected in the statements of cash flows include:

Building improvement and purchases of other assets through financing or capital leases totaling \$12,837 and \$142,942 in 2014 and 2013, respectively.

In-kind contributions totaled \$274,511 and \$148,495 in 2014 and 2013, respectively.

The accompanying notes are an integral part of these financial statements.

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED JUNE 30, 2014**

**(WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JUNE 30, 2013)**

	Youth & Family Services	Educational Outreach Services	Health Enhancement	Foster Care / Child Welfare	Program Services	Management and General	Fund- Raising	Total	2013 Total
Subcontracted services	\$	\$	\$	\$ 6,497,821	\$ 6,497,821	\$	\$	\$ 6,497,821	\$ 6,381,770
Residential services				4,662,993	4,662,993			4,662,993	5,083,104
Foster parent, adoption and independent living subsidies				6,706,590	6,706,590			6,706,590	6,191,349
Client services				1,246,161	1,246,161			1,246,161	1,092,433
Youth scholarships	10,000	93,075			103,075			103,075	95,000
Salaries	1,871,292	381,428	4,348,352	3,072,612	9,673,684	693,719	29,541	10,396,944	10,473,987
Employee benefits and payroll taxes	429,850	83,250	702,392	720,086	1,935,578	150,151	5,501	2,091,230	2,204,892
Professional services	8,720	4,524	42,068	132,356	187,668	145,943	1,494	335,105	385,092
Supplies	131,548	40,457	674,188	83,952	930,145	51,968		982,113	998,065
Telephone and networking	20,070	2,824	48,189	83,782	154,865	8,243	30	163,138	200,958
Postage and shipping	1,258	512	6,640	26,798	35,208	4,163		39,371	45,269
Occupancy	64,979	13,027	1,387,262	819,739	2,285,007	433,943	1,718	2,720,668	2,841,761
Repairs and maintenance	9,875	2,212	152,522	80,810	245,419	34,807		280,226	345,708
Community relations	259		85,744	281	86,284	16,351	15	102,650	130,445
In-kind contribution expense				274,511	274,511			274,511	148,495
Travel and client transportation	47,900	22,395	93,088	153,110	316,493	18,424	800	335,717	331,524
Staff development and conferences	29,365	2,722	60,163	31,043	123,293	28,854	1,719	153,866	128,371
Dues and licenses	8,907	7,143	102,161	18,762	136,973	17,333	1,817	156,123	159,414
General insurance	45,067	3,456	371,323	226,002	645,848	59,694		705,542	691,580
Credit card and bank charges			119,654	7,629	127,283	18,966	963	147,212	160,459
Miscellaneous						210		210	7,021
Bad debts			62,141	2,861	65,002		126	65,128	40,091
Total functional expenses before depreciation, amortization, interest and bond fees	2,679,090	657,025	8,255,887	24,847,899	36,439,901	1,682,769	43,724	38,166,394	38,136,788
Depreciation and amortization	58,697	2,635	974,255	168,977	1,204,564	101,986	1,130	1,307,680	1,413,816
Interest	100		8,860		8,960	9,248		18,208	27,257
Bond interest			92,800		92,800	25,199		117,999	222,190
Total functional expenses	\$ 2,737,887	\$ 659,660	\$ 9,331,802	\$ 25,016,876	\$ 37,746,225	\$ 1,819,202	\$ 44,854	\$ 39,610,281	\$ 39,800,051

The accompanying notes are an integral  
part of these financial statements.



**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED JUNE 30, 2013**

**(WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JUNE 30, 2014)**

	Youth & Family Services	Educational Outreach Services	Health Enhancement	Foster Care / Child Welfare	Program Services	Management and General	Fund- Raising	Total	2014 Total
Subcontracted services	\$	\$	\$	\$ 6,381,770	\$ 6,381,770	\$	\$	\$ 6,381,770	\$ 6,497,821
Residential services				5,083,104	5,083,104			5,083,104	4,662,993
Foster parent, adoption and independent living subsidies				6,191,349	6,191,349			6,191,349	6,706,590
Client services				1,092,433	1,092,433			1,092,433	1,246,161
Youth scholarships	10,000	85,000			95,000			95,000	103,075
Salaries	1,852,019	365,204	4,527,937	3,039,900	9,785,060	663,234	25,693	10,473,987	10,396,944
Employee benefits and payroll taxes	432,312	80,989	783,276	740,563	2,037,140	162,254	5,498	2,204,892	2,091,230
Professional services	19,533	25,542	123,472	125,602	294,149	90,177	766	385,092	335,105
Supplies	88,577	48,771	730,965	69,254	937,567	60,487	11	998,065	982,113
Telephone and networking	20,642	4,730	52,947	105,607	183,926	16,805	227	200,958	163,138
Postage and shipping	1,002	678	5,681	32,742	40,103	5,166		45,269	39,371
Occupancy	53,451	8,842	1,470,813	866,455	2,399,561	438,755	3,445	2,841,761	2,720,668
Repairs and maintenance	10,188	3,317	182,595	108,473	304,573	41,135		345,708	280,226
Community relations	60		92,980		93,040	37,405		130,445	102,650
In-kind contribution expense				148,495	148,495			148,495	274,511
Travel and client transportation	48,181	19,195	114,327	139,705	321,408	9,583	533	331,524	335,717
Staff development and conferences	23,513	2,403	43,279	15,065	84,260	44,111		128,371	153,866
Dues and licenses	9,587	7,628	106,956	18,775	142,946	16,636	(168)	159,414	156,123
General insurance	41,627	2,740	366,248	226,090	636,705	54,875		691,580	705,542
Credit card and bank charges			132,052	7,248	139,300	21,159		160,459	147,212
Miscellaneous	100	2,964		3,957	7,021			7,021	210
Bad debts			34,786	5,305	40,091			40,091	65,128
Total functional expenses before depreciation, amortization, interest and bond fees	2,610,792	658,003	8,768,314	24,401,892	36,439,001	1,661,782	36,005	38,136,788	38,166,394
Depreciation and amortization	52,713	2,852	932,220	222,105	1,209,890	203,926		1,413,816	1,307,680
Interest	236		14,689		14,925	12,332		27,257	18,208
Bond interest			174,741		174,741	47,449		222,190	117,999
Total functional expenses	\$ 2,663,741	\$ 660,855	\$ 9,889,964	\$ 24,623,997	\$ 37,838,557	\$ 1,925,489	\$ 36,005	\$ 39,800,051	\$ 39,610,281

The accompanying notes are an integral  
part of these financial statements.

**Note 1 - Description of Organization**

The Sarasota Family Young Men's Christian Association, Inc. (YMCA), was established in 1945, and provided various programs and services in three counties during the years ended June 30, 2014 and 2013. The financial statements and notes are representations of the YMCA's management who is responsible for their integrity and objectivity. The accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements. The Mission Statement of the Sarasota Family Young Men's Christian Association, Inc. is, "We build strong kids, strong families and strong communities."

The major program areas of the YMCA include:

**Youth & Family Services** - The YMCA Family Management Services provide family counseling and consultation on a non-residential basis, directed at preventing youth from running away, being truant or becoming ungovernable. Residential services are provided through the Youth Shelter for runaway youth ages 10 through 17. The YMCA TRIAD Alternative Schools provide academic, vocational and behavioral skills to expelled youth in collaboration with the Department of Juvenile Justice and the Sarasota County school system. The School House Link coordinates educational services for homeless youth in Sarasota County.

**Educational Outreach Services** - Operation Graduation is a continuum of educational outreach programs serving children from preschool to high school seniors. Programs include the Home Instruction for Parents for Preschool Youngsters (HIPPPY), a home-based educational program in which YMCA Parent Educators teach parents and other guardians to prepare their children for school; YMCA Reads!, a mentoring and literacy program for first and second graders which emphasizes reading and comprehensive skill development; and Y Achievers for middle and high school students to enhance academic achievement. The YMCA provides after-school programs in Sarasota County elementary schools and within the Hardee County Family YMCA Branch.

**Health Enhancement** - The YMCA maintains four traditional health enhancement facilities, three in Sarasota County and one in Hardee County. Collectively, these facilities provide a full range of fitness/cardio vascular training, specialty aerobic classes, youth and adult basketball, racquetball, soccer, aquatic classes, swim teams, gymnastic classes and teams, therapy programs, Y Guides, youth leadership and teen activities. Summer camp for elementary school age children is also provided in Sarasota and Hardee counties.

**Foster Care/Child Welfare** - In 1997, the YMCA led the Governor's privatization efforts for Child Welfare/Foster Care in Sarasota County. The YMCA provided its Child Welfare/Foster Care Program in three counties during the years ended June 30, 2014 and 2013. The Child Welfare/Foster Care Program provides the following services: diversion, intervention, child and family assessment, case management through sub-contracts with local agencies, family preservation, parent training and support groups, out of home placement, reunification and adoptions.

**Note 2 - Summary of Significant Accounting Policies**

**Revenue Recognition** - The accounting and reporting policies of the YMCA comply with the accounting and reporting provisions of the American Institute of Certified Public Accountants. Net assets and public support, revenue and gains are classified based on the existence or absence of donor-imposed restrictions. When the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Accordingly, net assets and changes therein are classified as follows:

Unrestricted Net Assets are utilized to account for public support and program revenues that are unrestricted in nature. Donor restricted contributions whose restrictions are met in the year of contribution are reported as unrestricted support.

Temporarily Restricted Net Assets are utilized to account for contributions that are donor restricted for uses which have not yet been fulfilled either by time or purpose. Net assets restricted for construction of buildings are considered temporarily restricted until the YMCA places the asset in service.

Permanently Restricted Net Assets represent donor-restricted endowments whereby the use of principal is prohibited. The income generated by these endowments may be unrestricted or designated for a specific program by the donor.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Donated Materials and Services** - Donated property and equipment and in-kind contributions for use by the YMCA are capitalized at the fair value at the time of receipt. The YMCA has recorded the revenue and expense relating to services donated by attorneys, architects and contractors. The value of these services, property and equipment recorded in the accompanying financial statements amounted to \$274,511 and \$148,495 for the years ended June 30, 2014 and 2013, respectively.

A substantial number of unpaid volunteers have made significant contributions of their time to support the programs of the YMCA. The estimated value of these donated services has not been recorded in the accompanying financial statements.

**Functional Allocation of Expenses** - The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services that benefited.

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Reclassifications** - To facilitate comparison of financial data, certain amounts in the 2013 financial statements have been reclassified to conform to the 2014 reporting presentation. Such reclassifications had no effect on the decrease in net assets previously reported.

**Income Taxes** - The YMCA has been recognized by the Internal Revenue Service as tax-exempt under Section 501(c)(3) of the Internal Revenue Code of 1986. However, the YMCA is subject to income tax on unrelated business income as follows:

For the years ended June 30, 2014 and 2013, the investment in the Y Associates limited partnership (see Note 8) resulted in investment income from Y-Associates in the amount of \$10,384 and a loss in the amount of \$34,656, respectively. The operating loss in 2013 offset the rental income that is subject to income tax and a resulting tax benefit. Accordingly, no income tax expense was recognized for the year ended June 30, 2013. With the sale of Kane Plaza, the rental building held by Y-Associates, the YMCA received additional distributions for the year ended June 30, 2014. The YMCA expects to incur a tax liability related to the distributions, however, information to determine the amount of the tax liability has not yet been reported by Y-Associates as information is typically distributed based on the calendar year. As such, no income tax expense or liability has been recognized in the accompanying financial statements.

Under the Income Taxes Topic of the FASB Accounting Standards Codification, the YMCA has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions, other than disclosed above, that would have a material impact on the financial statements of the YMCA.

The YMCA files income tax returns in the U.S. federal jurisdiction and the state of Florida. The tax periods open to examination by the major taxing jurisdictions to which the YMCA is subject include the fiscal years ended June 30, 2011 through June 30, 2014.

**Subsequent Events** - The YMCA has evaluated all events subsequent to the statement of financial position date of June 30, 2014 and through the date that these financial statements were available for issuance, November 19, 2014, and has determined that there are no subsequent events that require disclosure under the FASB Accounting Standards Codification.

**Financial Instruments Not Measured at Fair-Value** - Certain of the YMCA's financial instruments are not measured at fair value on a recurring basis but are recorded at amounts that approximate fair value due to their liquid or short-term nature. Such financial assets and liabilities include cash and cash equivalents, accounts receivable, contracts receivable, other assets, accounts payable, accrued expenses, deferred revenue and government contracts and custodial liabilities.

**Charitable Remainder Trust** - The Foundation transferred its interest in a charitable remainder trust to the YMCA. The estimated value of the trust of \$432,960 is recorded as an asset on the accompanying statement of financial position as of June 30, 2014. The charitable remainder trust has matured and the assets remain in the trust as of the date these financial statements were issued.



**Note 3 - Cash and Cash Equivalents**

Cash consists of various checking and money market accounts. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less, except for investments to be applied to specific purposes that are included in the YMCA's long-term investment strategies. Due to the timing of receipts from its various funding sources, the YMCA may periodically have cash balances with any one financial institution exceeding the FDIC insured amount. Management makes every effort to maintain accounts with various financial institutions to minimize the occurrence of this situation.

The YMCA is a fiscal agent for certain funding sources. Funds are received and payments are distributed to program participants based upon requirements established by the funding sources. The YMCA maintains separate bank accounts for the cash received on behalf of the program participants and records the related custodial liability.

Restricted cash for federal grants and other purposes at June 30, 2014 and 2013 amounted to \$2,666,251 and \$1,862,802, respectively.

**Note 4 - Accounts Receivable**

Accounts receivable consist of membership fees, child care program fees, gymnastics and swim team fees, amounts pledged by the YMCA Foundation of Sarasota, Inc. and other receivables. Accounts receivable for membership fees and program dues are stated net of an allowance for uncollectible accounts of \$37,789 and \$27,515 at June 30, 2014 and 2013, respectively. The allowance is approximately 35% and 30%, respectively, of accounts receivable for membership fees and program dues and is based on historical collections. Management reviews accounts quarterly and writes off individual accounts that are deemed uncollectible.

Accounts receivable at June 30, 2014 and 2013 includes receivables from the YMCA Foundation of Sarasota, Inc. in the amount of \$574,185 and \$681,731 respectively, for grants and reimbursement of expenses. No allowance has been recorded against these amounts as management deems this balance fully collectible.

**Note 5 - Contracts Receivable**

Contracts receivable represent funds due from federal, state and local government agencies for YMCA social service programs including Educational Outreach Services, Youth and Family Services and Foster Care/Child Welfare. Contracts receivable totaled \$304,190 and \$404,414 at June 30, 2014 and 2013, respectively. Management considers contracts receivable to be fully collectible.



**Sarasota Family Young Men's Christian Association, Inc.****Notes to Financial Statements (Continued)**  
**June 30, 2014 and 2013****Note 6 - Note Receivable**

On April 27, 2009, the YMCA entered into a promissory note with a related party in the amount of \$200,000 with a fixed interest rate of 6.0% per annum. Interest income on the note receivable totaled \$7,543 and \$10,034 for the years ended June 30, 2014 and 2013, respectively. This note was extinguished in 2014 as a result of the sale of property. There was no outstanding principle at June 30, 2014.

**Note 7 - Other Assets**

Other assets include deposits, bond costs (net of accumulated amortization), prepaid expenses and inventory of YMCA clothing items, racquetball and aquatics related merchandise, stated at the lower of cost (first-in, first-out method) or market (net realizable value). Other assets are comprised of the following at June 30:

	2014	2013
Prepaid expenses	\$ 248,880	\$ 425,142
Deposits	21,998	28,998
Inventory	15,969	16,090
Bond costs, net	78,167	97,310
	<u>\$ 365,014</u>	<u>\$ 567,540</u>

**Note 8 - Investments - Partnerships**

As of June 30, 2014 and 2013, investments in partnerships totaled \$144,315 and \$835,210, respectively. Investments in partnerships are as follows:

The YMCA owns a 41.5% interest in Y Associates, a limited partnership that owns and leases an office building in downtown Sarasota, Florida. The YMCA accounted for this investment using the equity method. During 2013, Y Associates entered into an agreement to sell the office building that was finalized on February 14, 2014. During the year ended June 30, 2013, the fair value of the YMCA's ownership interest in Y Associates was written down to the YMCA's estimated portion of sales proceeds from the transaction, net of liabilities. The difference between the estimated portion recorded in 2013 and the actual amount received was recorded as a gain during the year ended June 30, 2014. The value of the YMCA's investment in Y Associates as of June 30, 2014 and 2013 was \$98,231 and \$789,126, respectively.

The YMCA paid rent for office space to Y Associates in the amount of \$137,992 and \$282,687 for the years ended June 30, 2014 and 2013. Amounts due to Y Associates totaled \$0 and \$2,417 as of June 30, 2014 and 2013, respectively.

**Note 8 - Investments - Partnerships (Continued)**

During the year ended June 30, 2009 the YMCA entered into an agreement to become a limited partner of the Community Based Care Partnership, Ltd. (the Partnership). The purpose of the Partnership is to establish a trust to cover medical expenses in excess of Medicare payments. The YMCA's investment in the Partnership totaled \$46,084 as of June 30, 2014 and 2013.

The Partnership makes a quarterly determination of whether the assets held by the trust are sufficient to meet the obligations under the service agreement. If deemed insufficient, the YMCA is liable for any obligations under the services agreement or debt of the Partnership as determined by their respective share of the Partnership's revenue. The YMCA will have thirty days from the date of the notice from the Partnership to provide additional contributions.

**Note 9 - Land, Buildings and Equipment**

Land, buildings and equipment consist of the following as of June 30:

	2014	2013
Land	\$ 962,115	\$ 962,115
Land - Department of Juvenile Justice	-	125,000
Buildings	23,612,068	23,281,303
Building - Department of Juvenile Justice	-	25,000
Equipment	2,463,575	2,506,147
Furniture and fixtures	3,759,612	3,700,066
Vehicles	509,854	578,783
Equipment under capital lease agreements	969,181	962,278
Leasehold improvements	1,797,081	1,797,081
Art	18,600	18,600
	<u>34,092,086</u>	<u>33,956,373</u>
Less accumulated depreciation and amortization	<u>(20,240,962)</u>	<u>(19,181,071)</u>
	<u>\$ 13,851,124</u>	<u>\$ 14,775,302</u>

The YMCA capitalizes computer software and other assets exceeding \$2,000. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which range from 3 to 15 years for equipment, furniture and fixtures, and vehicles; and 10 to 30 years for buildings and improvements. Equipment under capital lease agreements is amortized using the straight-line method over the life of the leases and has a net book value of \$141,123 and \$371,639 as of June 30, 2014 and 2013, respectively. Leasehold improvements are being amortized over the lesser of the lease terms or the estimated useful lives of the assets. Land, buildings and equipment are recorded at cost, or if donated, at the fair market value at the time of receipt.

Equipment has been purchased with funds received from other governmental agencies. Title to these assets acquired with government agency funds vests with the YMCA as long as the YMCA has a contract with the agencies.

**Note 9 - Land, Buildings and Equipment (Continued)**

In accordance with contract provisions, the YMCA has segregated and identified this equipment. Upon contract termination, the equipment reverts to the respective agencies in accordance with their proportional interests. As of June 30, 2014 and 2013, government funded assets had a total net book value of \$146,918 and \$191,885, respectively.

**Note 10 - Assets Held for Sale**

In 2014, the YMCA disposed of unoccupied buildings and land in Sarasota, Florida that were classified as held for sale. As of June 30, 2014 and 2013, the value of assets held for sale was \$0 and \$975,000, respectively. On May 20, 2014, the assets sold for \$1,442,000 and, after related expenses, a gain on the disposal of assets held for sale was recognized in the amount of \$321,614.

**Note 11 - Beneficial Interest in the Net Assets of YMCA Foundation of Sarasota, Inc.**

The YMCA adopted the *Not-For-Profit Entities* Topic of the FASB Accounting Standards Codification. The *Not-For-Profit Entities* Topic establishes standards for transactions in which a donor makes a contribution to a not-for-profit organization (recipient) that agrees to transfer those assets to another entity (beneficiary). Pursuant to the *Not-For-Profit Entities* Topic, the YMCA recognizes its beneficial interest in the net assets of the YMCA Foundation of Sarasota, Inc.

**Note 12 - Tax Deferred Annuity Plan**

The YMCA participates in The YMCA Retirement Fund Retirement Plan which is a defined contribution, money purchase, church plan that is intended to satisfy the qualification requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended, and The YMCA Retirement Fund Tax-Deferred Savings Plan which is a retirement income account plan as defined in section 403(b)(9) of the code. Both plans are sponsored by The Young Men's Christian Association Retirement Fund (Fund).

The Fund is a not-for-profit, tax-exempt pension fund incorporated in the State of New York (1922) organized and operated for the purpose of providing retirement and other benefits for employees of YMCAs through-out the United States. The plans are operated as church pension plans. Participation is available to all duly organized and reorganized YMCAs and their eligible employees. As defined contribution plans, the Retirement Plan and Tax-Deferred Savings Plan have no unfunded benefit obligations.

**Sarasota Family Young Men's Christian Association, Inc.****Notes to Financial Statements (Continued)**

June 30, 2014 and 2013

**Note 12 - Tax Deferred Annuity Plan (Continued)**

In accordance with the agreement with the Retirement Fund, contributions to the Fund are a percentage of the participating employees' qualified compensation. The Fund is fully funded through retirement plan contributions for all eligible employees made by the YMCA. Employees can participate in additional voluntary accounts either on a tax-deferred or after-tax basis. The YMCA's contributions charged to retirement costs for the fiscal years ended June 30, 2014 and 2013 were \$554,085 and \$555,645, respectively.

**Note 13 - Lease Commitments**

The YMCA has entered into capital lease agreements for equipment and copiers through 2016. Future minimum payments under capital leases are as follows for the years ending June 30:

2015*	\$ 125,793
2016	29,214
2017	4,474
Total future minimum lease payments	159,481
Less portion representing interest	(4,083)
Present value of future minimum lease payments	155,398
Less current portion	(122,036)
Non-current portion	\$ 33,362

\*This table includes future payments of \$13,275 for a capital lease that was entered into in July 2014. This amount is not included in capital lease obligations payable as of June 30, 2014.

The YMCA leases space for administrative and program services. Lease terms range from 1 to 9 years with options to renew. Total future minimum lease payments under the operating leases are as follows:

Year Ending June 30:	Minimum Lease Commitments	Sublease Income	Net Lease Commitments
2015	\$ 1,033,956	\$ 153,690	\$ 880,266
2016	641,312	47,515	593,797
2017	603,774	20,256	583,518
2018	602,595		602,595
2019	620,673		620,673
Thereafter	1,222,993		1,222,993
	\$ 4,725,303	\$ 221,461	\$ 4,503,842

**Note 13 - Lease Commitments (Continued)**

Certain leases require payments for common area maintenance and also provide for adjustments to minimum lease payments annually based on fluctuations in the Consumer Price Index. These adjustments cannot be predicted and are therefore not included in the minimum lease commitment amounts above. The YMCA subleases office space to the YMCA Foundation of Sarasota, Inc. Sublease income will also increase annually based on the Consumer Price Index. Total rent expense for the years ended June 30, 2014 and 2013 amounted to \$1,148,768 and \$1,053,354, respectively, net of sublease income.

**Note 14 - Notes Payable**

Notes payable consisted of the following at June 30:

	2014	2013
Note payable, secured by a mortgage, interest at 6% per annum, interest only payments due monthly beginning June 1, 2009 with principal and interest payments due monthly in the amount of \$1,433 commencing on December 1, 2009.*	\$ -	\$ 179,292
Less current portion	-	(7,186)
Non-current portion	\$ -	\$ 172,106

\* The note was extinguished as a result of the sale of property securing the loan during the year ended 2014.

The YMCA entered into a line of credit agreement effective August 1, 2011 in the amount of \$500,000 and at an interest rate of the lenders prime rate of the outstanding balance. The rate on the line of credit was 4.25% as of June 30, 2014. The line is available to finance general operating activities. There is no outstanding balance at June 30, 2014.

**Note 15 - Bonds Payable**

On August 1, 2011, the YMCA was issued an Industrial Development Revenue Refunding Bond, Series 2011, by Sarasota County, Florida in the amount of \$6,900,000 to provide funds to 1) refinance the Series 1999 Bond, 2) finance the termination payment of the interest rate swap agreement, and 3) pay a portion of the costs related to the issuance of the new bond. The Series 2011 Bond matures on August 1, 2018 with principal payments beginning on September 1, 2012. The Series 2011 Bond bears an interest rate of 78% of the one-month LIBOR, plus 1.8525% per annum, adjusted monthly on the first day of each LIBOR interest period. The interest rate at June 30, 2014 was 1.9703%.



**Sarasota Family Young Men's Christian Association, Inc.****Notes to Financial Statements (Continued)**

June 30, 2014 and 2013

**Note 15 - Bonds Payable (Continued)**

On August 1, 2011, the YMCA entered into an interest rate swap agreement with a fixed rate of 3.72%. Interest paid on the Series 2011 Bond totaled \$117,999 and \$222,190 for the years ended June 30, 2014 and 2013, respectively. Long term interest rates decreased from the date the YMCA entered into the swap agreement, and as such, the interest rate swap has a negative value of \$110,556 and \$122,424, which is recorded as a liability as of June 30, 2014 and 2013. The fair value was obtained from a financial institution known to be an active participant in the capital markets. The swap will continue to have a negative fair value as long as the original variable rates are below the fixed swap interest rate.

The Series 2011 Bond is collateralized by all real and personal property of the YMCA. The YMCA Foundation of Sarasota, Inc. is the deficiency guarantor for all obligations of the YMCA in connection with securing the bond.

The agreement places covenants, which, among other things, requires the YMCA to maintain certain financial ratios on a combined basis with the YMCA Foundation of Sarasota, Inc., and places restrictions on capital expenditures, other indebtedness, pledges of assets, lease expenditures and guarantees.

The \$6,900,000 Series 2011 Bond was amended and reissued on April 16, 2013. As a condition of the amendment, the YMCA Foundation granted \$3,400,000 to the YMCA to pay down the outstanding principal balance of the bond to \$3,425,000 as of the reissuance date. In addition, the lender agreed to a loan modification agreement to modify the redemption schedule and the financial covenants. All other terms and the guaranty of the original bond agreement remain in place. There were no amendments to the swap agreement in connection with the bond modification. The YMCA was in compliance with the financial covenants as of June 30, 2014 and 2013, respectively.

In connection with the Series 2011 Bond amendment, the YMCA paid \$100,501 of issuance costs. The charges were recorded as deferred bond financing costs and amortized. The original issuance costs recorded in 2011 on the original issuance of the Series 2011 Bond, net of the accumulated amortization through April 16, 2013, was written off in 2013 in connection with the modification of the Series 2011 Bond, resulting in a loss of \$91,169, for the year ended June 30, 2013. For the years ended June 30, 2014 and 2013, amortization of these charges amounted to \$19,143 and \$20,285, respectively.

The principal repayments requirements on the Series 2011 Bond, as modified, are as follows, for the years ending June 30:

2015	\$	172,083
2016		172,083
2017		172,083
2018		172,083
2019		172,083
Thereafter		1,799,107
Total	\$	<u>2,659,522</u>

**Sarasota Family Young Men's Christian Association, Inc.****Notes to Financial Statements (Continued)**  
**June 30, 2014 and 2013****Note 16 - Custodial Liabilities**

The YMCA is the custodian for Social Security benefits for the children in its care. The YMCA is responsible for receiving funds from Social Security and disbursing such to the respective beneficiaries pursuant to requirements set forth by Social Security and the Department of Children and Families. The funds are maintained in separate bank accounts. Custodial liabilities totaled \$94,830 and \$96,906 as of June 30, 2014 and 2013, respectively.

**Note 17 - Matching Requirements on Governmental Contracts**

The YMCA has been awarded contracts from federal and state agencies, which require matching contributions by the YMCA. The matching requirements were met or exceeded on completed contracts during the years ended June 30, 2014 and 2013.

The YMCA (lead agency) administers the Foster Care and Child Welfare program for Sarasota, Manatee and Desoto counties. Under Florida Statute, a lead agency may not provide more than 35% of direct client services and must disburse contract funds received to entities that provide direct client services. In addition there are designated contract funds that are paid to or on behalf of the client (adoption subsidy, independent living subsidy, client supplies and services). Government grant revenue includes the following components:

	2014	2013
Amounts paid to subrecipients	\$ 11,883,643	\$ 12,138,029
Amounts paid to or on behalf of clients	7,293,803	6,751,573
Amounts related to services provided by the YMCA	6,155,312	6,190,305
Total	\$ 25,332,758	\$ 25,079,907

**Note 18 - Deferred Revenue and Government Contracts**

As of June 30, 2014 and 2013, deferred revenue and government contracts totaled \$2,432,446 and \$1,876,692, respectively, and include the following:

Programs and membership revenue is deferred and recognized over the term of the program or membership on a straight-line basis. As of June 30, 2014 and 2013, deferred programs and membership revenue totaled \$663,944 and \$623,753, respectively.

Certain government contracts and grants are received ratably over the respective contract periods. The YMCA recognizes the related revenue as grant expenditures are made. Any excess of funds received over the amount earned is considered deferred revenue which amounted to \$1,768,502 and \$1,252,939 at June 30, 2014 and 2013, respectively.

**Note 19 - Fair Value of Financial Assets and Liabilities**

The YMCA adopted the *Fair Value Measurements and Disclosures* Topic of the FASB Accounting Standards Codification which provides enhanced guidance for using fair value to measure assets and liabilities and clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the assets or liabilities and establishes a hierarchy that prioritizes the information used to develop those assumptions.

The following table presents information about the YMCA's assets and liabilities that are measured at fair value on a recurring and non-recurring basis as of June 30, 2014 and 2013, and indicates the fair value hierarchy of the valuation techniques used to determine such fair value. The three levels for measuring fair value are based on the reliability of inputs and are as follows:

Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities, such as publicly traded equity securities.

Level 2 - inputs other than quoted prices included in Level 1 that are observable, either directly or indirectly. Such inputs may include quoted prices for similar assets, observable inputs other than quoted prices (interest rates, yield curves, etc.), or inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. The inputs reflect the YMCA's assumptions based on the best information available in the circumstance.

The following methods and assumptions were used by the YMCA in estimating the fair value of its financial instruments:

*Interest rate swap* - The fair value of the interest rate swap (used for purposes other than trading) is the estimated amount the YMCA would receive or pay to terminate the swap agreement at the reporting date, taking into account current interest rates and the creditworthiness of the counterparty for assets and creditworthiness of the YMCA for liabilities (Level 3).

*Investments - partnerships* - The fair value is primarily based on the respective net asset value reported by management of each limited partnership rather than actual market transactions and other observable market data (Level 3).

**Sarasota Family Young Men's Christian Association, Inc.**
**Notes to Financial Statements (Continued)**  
**June 30, 2014 and 2013**
**Note 19 - Fair Value of Financial Assets and Liabilities (Continued)**

		Fair Value Measurements on a Recurring basis at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)		
Description	June 30, 2014		Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments - partnerships	\$ 144,315	\$	\$	\$ 144,315
Liabilities				
Interest rate swap	\$ 110,556	\$	\$	\$ 110,556

		Fair Value Measurements on a Recurring basis at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)		
Description	June 30, 2013		Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments - partnerships	\$ 835,210	\$	\$	\$ 835,210
Liabilities				
Interest rate swap	\$ 122,424	\$	\$	\$ 122,424

The following is a reconciliation of the beginning and ending balances for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the years ended June 30:

2014	Investments - Partnerships	Interest Rate Swap Liability
Beginning balance	\$ 835,210	\$ 122,424
Distribution	(892,500)	
Equity gain on investment in partnership	201,605	
Change attributed to interest rate fluctuation		(11,868)
Ending balance	\$ 144,315	\$ 110,556

**Sarasota Family Young Men's Christian Association, Inc.**
**Notes to Financial Statements (Continued)**

June 30, 2014 and 2013

**Note 19 - Fair Value of Financial Assets and Liabilities (Continued)**

2013	Investments - Partnerships	Interest Rate Swap Liability
Beginning balance	\$ 1,323,728	\$ 405,163
Payoff of swap agreement related to Series 2011 Bonds modification		(197,645)
Change attributed to interest rate fluctuation		(85,094)
Equity losses on investment in partnership	(488,518)	
Ending balance	\$ 835,210	\$ 122,424

The fair value of the investments listed below have been estimated based on net asset value (NAV) per share based on the cash flow received from the projected sales proceeds. Those funds which are redeemable at the reported net asset value per share at or near the reporting date have been considered to be valued based upon level 2 inputs. Funds which are not redeemable at or near the reporting date have been considered to be valued based upon Level 3 inputs.

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investments - partnerships (a)	\$ 144,315	\$	n/a	n/a

(a) This investment represents the YMCA's interest in Y Associates, LTD.

The components of the beneficial interest in the net assets of YMCA Foundation of Sarasota, Inc. (Foundation) that are measured at fair value on a recurring and non-recurring basis as of June 30, 2014 and 2013 are included in the following table based on the Foundation's audited financial statements:



**Sarasota Family Young Men's Christian Association, Inc.**
**Notes to Financial Statements (Continued)**  
**June 30, 2014 and 2013**
**Note 19 - Fair Value of Financial Assets and Liabilities (Continued)**
**Fair Value Measurements on a Recurring basis at Reporting Date Using**

Description	June 30, 2014	Quoted Prices in Active Markets for Identical Assets (Level 1)			Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)	
Common stock and mutual funds	\$ 3,554,441	\$ 3,554,441						
U.S. government and corporate bond funds	420,902	420,902						
Contributions receivable from charitable trusts	410,737						410,737	
Assets held in charitable trusts and annuities	377,407	377,407						
Total assets	\$ 4,763,487	\$ 4,352,750			\$ -		\$ 410,737	
Liability under trust agreements	\$ 90,710						\$ 90,710	

**Fair Value Measurements on a Non-Recurring basis at Reporting Date Using**

Description	June 30, 2014	Quoted Prices in Active Markets for Identical Assets (Level 1)			Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)	
Pledges receivable	\$ 419,292						\$ 419,292	

The following is a reconciliation of the beginning and ending balances for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the year ended June 30, 2014:

	Contributions Receivable From Charitable Trusts	Liability Under Trust Agreement
Beginning Balance - June 30, 2013	\$ 375,516	\$ 99,295
Change in fair value of charitable trusts	35,221	(8,585)
Ending balance - June 30, 2014	\$ 410,737	\$ 90,710

**Sarasota Family Young Men's Christian Association, Inc.**
**Notes to Financial Statements (Continued)**  
**June 30, 2014 and 2013**
**Note 19 - Fair Value of Financial Assets and Liabilities (Continued)**
**Fair Value Measurements on a Recurring basis at Reporting Date Using**

Description	June 30, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)			Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)	
Common stock and mutual funds	\$ 3,015,203	\$ 3,015,203	\$		\$		\$	
Contributions receivable from charitable trusts and annuities	375,516							375,516
Assets held in charitable trusts and annuities	369,869	369,869						
Total assets	\$ 3,760,588	\$ 3,385,072	\$	-	\$		\$ 375,516	
Liability under trust agreements	\$ 99,295		\$		\$		\$ 99,295	

**Fair Value Measurements on a Non-Recurring basis at Reporting Date Using**

Description	June 30, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)			Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)	
Pledges receivable	\$ 448,175	\$			\$		\$ 448,175	

The following is a reconciliation of the beginning and ending balances for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the year ended June 30, 2013:

	Contributions Receivable From Charitable Trusts	Liability Under Trust Agreement
Beginning Balance - June 30, 2012	\$ 366,454	\$ 117,987
Change in fair value of charitable trusts	9,062	(18,692)
Ending balance - June 30, 2013	\$ 375,516	\$ 99,295

**Sarasota Family Young Men's Christian Association, Inc.****Notes to Financial Statements (Continued)**  
**June 30, 2014 and 2013****Note 20 - Temporarily Restricted Net Assets**

Temporarily restricted net assets are generated from donor contributions and are restricted as to use within the following programs and organization at June 30:

	<u>2014</u>	<u>2013</u>
Child Welfare/Foster Care	\$ 129,725	\$ 115,873
Health Enhancement	12,478	13,275
Beneficial interest in net assets of the YMCA Foundation of Sarasota, Inc.	1,098,642	1,140,011
	<u>\$ 1,240,845</u>	<u>\$ 1,269,159</u>

**Note 21 - Permanently Restricted Net Assets**

Permanently restricted net assets consisted of the beneficial interest in the net assets of the YMCA Foundation of Sarasota, Inc. in the amounts of \$282,110 as of June 30, 2014 and 2013.

**Note 22 - Net Assets Released From Restrictions**

Net assets released from donor restriction by incurring expenses satisfying the restricted purposes for the years ended June 30:

	<u>2014</u>	<u>2013</u>
Expiration of restrictions		
Youth & Family Services	\$ 19,202	\$ 17,619
Educational Outreach Services	8,591	8,718
Child Welfare/Foster Care	-	46,298
Health Enhancement	-	36,525
Total net assets released from restrictions	<u>\$ 27,793</u>	<u>\$ 109,160</u>

**Note 23 - Discounted Membership Dues and Program Fees**

The YMCA also makes contributions to the general public through subsidies to those who qualify for discounted membership and program fees. These scholarships amounted to \$505,065 and \$551,497 for the years ended June 30, 2014 and 2013, respectively.

**Note 24 - Transactions with the YMCA Foundation of Sarasota, Inc.**

The YMCA Foundation of Sarasota, Inc. (Foundation) is an organization which was created in 1981 for the sole purpose of raising funds to support the YMCA. An independent Board of Trustees directs the Foundation. The YMCA must apply for grants and the Foundation maintains full authority over grant decisions. During the years ended June 30, 2014 and 2013, the Foundation contributed \$966,217 and \$5,309,678, respectively, to the YMCA, net of related expenses. Of the \$966,217 contributed during the year ended June 30, 2014, \$859,034 was recognized as revenue and the remaining \$107,183 was deferred.

The Foundation reimbursed the YMCA for payroll, payroll related and other expenses paid on behalf of the Foundation in the amount of \$268,838 and \$292,123, for the years ended June 30, 2014 and 2013, respectively. Additionally, the Foundation paid the YMCA rent in the amount of \$44,788 and \$44,179.

Beginning March 1, 2006, the YMCA began leasing office space in a building in Desoto County owned by the Foundation. Total rent and related reimbursable expenses paid to the Foundation for the years ended June 30, 2014 and 2013 amounted to \$83,030 and \$76,111, respectively. The YMCA had a payable to the Foundation in the amount of \$0 and \$2,089 as of June 30, 2014 and 2013, respectively.

On April 27, 2009, the YMCA entered into a promissory note payable with the Foundation in the amount of \$200,000. The amount borrowed from the Foundation was used to make a loan in the amount of \$200,000 to Y Associates for construction costs to complete a parking garage for Kane Plaza. The note had a fixed interest rate of 6.0% per annum. Unpaid principal totaled \$0 and \$179,292 as of June 30, 2014 and 2013, respectively. In 2014, the Kane Plaza parking garage was sold as part of the Y-Associates liquidation and the corresponding notes payable and receivable were extinguished.

**Note 25 - Related Party Transactions**

Certain Board members hold positions at financial institutions with which the YMCA holds cash balances and at the financial institution that holds the letter of credit securing the YMCA's bond debt. Board members are required to complete conflict of interest disclosure statements and abstain from voting on related issues.

**Note 26 - Concentrations**

For the years ended June 30, 2014 and 2013, approximately 74% and 72%, respectively, of revenue and support was derived from government grants and contracts, excluding the revenue from the disposal of assets held for sale. Approximately 89% of the government grants and contracts revenue was provided for the Foster Care and Child Welfare Programs during the years ended June 30, 2014 and 2013, respectively.

**Note 27 - Risks and Uncertainties**

The YMCA's ability to maintain its operations are largely dependent on selling memberships to its health facilities and receiving government and other grant funding.

**Note 28 - Contingencies**

The YMCA is a recipient of federal, state and other third party reimbursement funds that are subject to special compliance audits by the granting agencies and other third party agencies that provide these reimbursements. The outcome of these audits may result in expenditures that would be disallowed. Disallowed amounts, if any, would constitute a contingent liability.

The YMCA is subject to various claims and legal proceedings covering a range of matters that arise in the ordinary course of its activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the YMCA.

In June 2009, the YMCA along with several other entities entered into a settlement agreement with regard to a not-for-profit Foundation (the NPO Foundation). Under the settlement, the YMCA will receive annual distributions from the NPO Foundation in amounts that are not determinable.

In addition, if the NPO Foundation terminates before January 1, 2029, the YMCA will receive 1/36<sup>th</sup> of the net assets of the NPO Foundation. If the NPO Foundation terminates after January 1, 2029, the NPO Foundation will determine what amount, if any, the YMCA will receive. As of June 30, 2014 and 2013, no amounts have been recorded related to these contingent gains as the amounts are not determinable.



## SUPPLEMENTAL INFORMATION

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE AND LOCAL FINANCIAL ASSISTANCE**

**YEAR ENDED JUNE 30, 2014**

<i>Grantor/Pass-Through Grantor/ Program or Cluster Title</i>	<i>Federal CFDA State CSFA Number</i>	<i>Grant/Contract Number</i>	<i>Grant/Contract or Award Amount</i>	<i>Federal Reimbursable Expenditures</i>	<i>State/Local Reimbursable Expenditures</i>	<i>Total Reimbursable Expenditures</i>	<i>Transfers to Subrecipients</i>
<b>FEDERAL GRANTS AND CONTRACTS</b>							
<b>U.S. Department of Health and Human Services</b>							
Passed-through Florida Department of Children and Families Services:							
Temporary Assistance for Needy Families	93.558	QJ280	\$ 26,030,063	\$ 2,533,806	\$	\$ 2,533,806	\$ 1,979,975
Grants to States for Access and Visitation Programs	93.597	QJ280	26,030,063	35,037		35,037	35,037
Child Abuse and Neglect State Grants	93.669	QJ280	26,030,063	14,175		14,175	8,442
Promoting Safe and Stable Families	93.556	QJ280	26,030,063	541,825		541,825	572,838
Promoting Safe and Stable Families	93.556	QJ280	26,030,063	44,505		44,505	
Adoption Assistance	93.659	QJ280	26,030,063	2,999,648		2,999,648	841,898
Medical Assistance Program	93.778	QJ280	26,030,063	78,535		78,535	198,417
Chafee Foster Care Independence Program	93.674	QJ280	26,030,063	94,321		94,321	129,232
Chafee Education and Training Vouchers Program (ETV)	93.599	QJ280	26,030,063	40,622		40,622	
Block Grants for Community Mental Health Services	93.958	QJ280	26,030,063	-		-	355,379
Foster Care-Title IV-E	93.658	QJ280	26,030,063	5,364,464		5,364,464	3,066,445
Social Services Block Grant	93.667	QJ280	26,030,063	1,277,129		1,277,129	857,914
Stephanie Tubbs Jones Child Welfare Services Program	93.645	QJ280	26,030,063	362,756		362,756	253,606
Adoption Incentive Payments	93.603	QJ280	26,030,063	32,103		32,103	
				<u>13,418,926</u>	<u>-</u>	<u>13,418,926</u>	<u>8,299,183</u>
Basic Center Grant	93.623	90CY2467-03-00	132,500	33,677		33,677	
				<u>33,677</u>	<u>-</u>	<u>33,677</u>	<u>-</u>
Passed-through Community Based Care Lead Agencies:							
Foster Care-Title IV-E	93.658	N/A	Rate Agreement	2,504		2,504	
Social Services Block Grant	93.667	N/A	Rate Agreement	1,667		1,667	
				<u>4,171</u>	<u>-</u>	<u>4,171</u>	<u>-</u>
Passed-through the Florida Department of Education / University of South Florida							
Temporary Assistance for Needy Families Sarasota	93.558	5830-1397-00-G	107,500	107,500		107,500	
Temporary Assistance for Needy Families Desoto	93.558	5830-1397-00-A	98,000	98,000		98,000	
				<u>205,500</u>	<u>-</u>	<u>205,500</u>	<u>-</u>
Passed-through the Agency for Workforce Innovation							
Child Care Mandatory and Matching Funds of the Childcare and Development Fund	93.596	Hardco	\$ Rate Agreement	16,269		16,269	
<b>Total U.S. Department of Health and Human Services</b>				<u>\$ 13,678,543</u>	<u>\$ -</u>	<u>\$ 13,678,543</u>	<u>\$ 8,299,183</u>

SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE AND LOCAL FINANCIAL ASSISTANCE (CONTINUED)

YEAR ENDED JUNE 30, 2014

Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA State CSFA Number	Grant/Contract Number	Grant/Contract or Award Amount	Federal Reimbursable Expenditures	State/Local Reimbursable Expenditures	Total Reimbursable Expenditures	Transfers to Subrecipients
<b>FEDERAL GRANTS AND CONTRACTS (CONTINUED)</b>							
<b>U.S. Department of Education</b>							
Passed-through School Board of Sarasota County:							
Education for Homeless Children and Youth '13	84.196	N/A	\$ 95,000	\$ -	\$ -	\$ -	\$ -
Education for Homeless Children and Youth '14	84.196	N/A	90,250	89,867	-	89,867	-
				<u>89,867</u>	<u>-</u>	<u>89,867</u>	<u>-</u>
Title I Grants to Local Educational Agencies '13	84.010	N/A	\$ 75,000	10,598	-	10,598	-
Title I Grants to Local Educational Agencies '14	84.010	N/A	75,000	64,881	-	64,881	-
				<u>75,479</u>	<u>-</u>	<u>75,479</u>	<u>-</u>
Title I Grants to Local Educational Agencies	84.010	N/A	Cost reimbursement	107,595	-	107,595	-
				<u>107,595</u>	<u>-</u>	<u>107,595</u>	<u>-</u>
<b>Total U.S. Department of Education</b>				<u>\$ 272,941</u>	<u>\$ -</u>	<u>\$ 272,941</u>	<u>\$ -</u>
<b>U.S. Department of Agriculture</b>							
Passed-through Florida Department of Health:							
Child and Adult Care Food Program '13	10.558	A-1413	\$ Rate Agreement	\$ 690	\$ -	\$ 690	\$ -
Child and Adult Care Food Program '14	10.558	A-1413	Rate Agreement	3,583	-	3,583	-
				<u>4,273</u>	<u>-</u>	<u>4,273</u>	<u>-</u>
<b>Total U.S. Department of Agriculture</b>				<u>\$ 4,273</u>	<u>\$ -</u>	<u>\$ 4,273</u>	<u>\$ -</u>
<b>U.S. Department of Homeland Security</b>							
Passed-through the United Way of Sarasota County:							
Emergency Food and Shelter National Board Program	97.024	LRO171400-021	\$ 11,460	\$ 9,400	\$ -	\$ 9,400	\$ -
				<u>9,400</u>	<u>-</u>	<u>9,400</u>	<u>-</u>
<b>Total U.S. Department of Homeland Security</b>				<u>\$ 9,400</u>	<u>\$ -</u>	<u>\$ 9,400</u>	<u>\$ -</u>
<b>U.S. Department of Labor</b>							
Passed-through the Suncoast Workforce Board, Inc.:							
WIA Youth Activities	17.259	13-21	\$ 17,090	\$ 28,425	\$ -	\$ 28,425	\$ -
				<u>28,425</u>	<u>-</u>	<u>28,425</u>	<u>-</u>
<b>Total U.S. Department of Labor</b>				<u>\$ 28,425</u>	<u>\$ -</u>	<u>\$ 28,425</u>	<u>\$ -</u>
<b>Total Federal Grants and Contracts</b>				<u>\$ 13,993,582</u>	<u>\$ -</u>	<u>\$ 13,993,582</u>	<u>\$ 8,299,183</u>
<b>STATE GRANTS AND CONTRACTS</b>							
<b>Florida Department of Juvenile Justice</b>							
Passed-through the Florida Network of Youth and Family Services:							
Children and Families in Need of Services '13	80.005	N/A	\$ 889,425 + TITLE IV-E	\$ -	\$ 181,932	\$ 181,932	\$ -
Children and Families in Need of Services '14	80.005	N/A	890,123 + TITLE IV-E	26,188	792,530	818,718	-
Probation Respite	80.005	N/A	Rate agreement	-	5,838	5,838	-
				<u>26,188</u>	<u>980,300</u>	<u>1,006,488</u>	<u>-</u>
<b>Total Florida Department of Juvenile Justice</b>				<u>\$ 26,188</u>	<u>\$ 980,300</u>	<u>\$ 1,006,488</u>	<u>\$ -</u>

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE AND LOCAL FINANCIAL ASSISTANCE (CONTINUED)**  
**YEAR ENDED JUNE 30, 2014**

Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA State CSFA Number	Grant/Contract Number	Grant/Contract or Award Amount	Federal Reimbursable Expenditures	State/Local Reimbursable Expenditures	Total Reimbursable Expenditures	Transfers to Subrecipients
<b>STATE GRANTS AND CONTRACTS (CONTINUED)</b>							
<b>Florida Department of Education</b>							
Passed-through YMCA of West Central Florida, Inc.							
Y Results Statewide Coordinator	48.068	N/A	\$ 64,467	\$ -	\$ -	\$ -	\$ -
Y Results Banker	48.068	N/A	44,580	-	45,775	45,775	-
				-	45,775	45,775	-
<b>Total Florida Department of Education</b>				\$ -	\$ 45,775	\$ 45,775	\$ -
<b>Florida Department of Children and Families</b>							
Community Based Care Supports	60.094	N/A	49,278	\$ -	\$ 55,730	\$ 55,730	\$ -
In Home	60.074	QJ280	25,181,599	-	116,804	116,804	-
Out of Home	60.075	QJ280	25,181,599	-	447,472	447,472	-
Independent Living	60.112	QJ280	25,181,599	-	281,815	281,815	-
In Home	60.074	QJ280	26,030,063	-	1,742,084	1,742,084	538,742
Out of Home	60.075	QJ280	26,030,063	-	2,710,584	2,710,584	1,754,154
Independent Living	60.112	QJ280	26,030,063	-	420,834	420,834	22,806
Passed-through Community Based Care Lead Agencies							
Out of Home	60.075	N/A	Rate Agreement	-	1,329	1,329	-
<b>Total Florida Department of Children and Families</b>				\$ -	\$ 5,776,653	\$ 5,776,652	\$ 2,315,702
<b>Total State Grants and Contracts</b>				\$ 26,188	\$ 6,802,728	\$ 6,828,915	\$ 2,315,702
<b>LOCAL GRANTS AND CONTRACTS</b>							
<b>Sarasota County, Florida</b>							
Grants-in-Aid							
Youth and Family Services, Y-Achievers, HIPFY and Operation Graduation '13	N/A	2013-191	212,000	\$ -	\$ 54,665	\$ 54,665	\$ -
Youth and Family Services, Y-Achievers, HIPFY and Operation Graduation '14	N/A	2014-173	210,000	-	148,443	148,443	-
<b>Total Sarasota County, Florida</b>				\$ -	\$ 203,108	\$ 203,108	\$ -
<b>School Board of Sarasota County</b>							
Triad Alternative Program '13	N/A	N/A	925,528	\$ -	\$ 189,371	\$ 189,371	\$ -
Triad Alternative Program '14	N/A	N/A	1,051,619	-	920,542	920,542	-
				-	1,109,912	1,109,912	-
<b>Total Local Grants and Contracts</b>				\$ -	\$ 1,313,021	\$ 1,313,021	\$ -
<b>Total Grants and Contracts</b>				\$ 14,619,770	\$ 8,115,749	\$ 22,135,518	\$ 10,614,885

**Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance**

This schedule includes the federal, state, and local grant activity of the YMCA and is presented on the accrual basis of accounting. The information in this schedule is in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, amounts in this schedule may differ from amounts presented or used in the preparation of the basic financial statements.

## SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.

## SCHEDULE OF SUBRECIPIENT ACTIVITY

YEAR ENDED JUNE 30, 2013

Contract Number	Grant/Contract Amount	Subrecipient/Program Title	CFDA/CSFA Number	Amount Awarded to Subrecipient
YFACM14	\$2,899,281	<b>YOUTH AND FAMILY ALTERNATIVES, INC.</b>		
		US DHHS - Temporary Assistance to Needy Families	93.558	\$ 790,715
		US DHHS - Child Welfare Services	93.645	105,536
		US DHHS - Promoting Safe and Stable Families	93.556	232,464
		US DHHS - Foster Care-Title IV-E	93.658	760,210
		US DHHS - Adoption Assistance	93.659	357,217
		US DHHS - Grants to States for Access and Visitation Programs	93.597	35,037
		State Department of Children and Families - In Home	60.074	211,805
		State Department of Children and Families - Out of Home	60.075	406,297
				<u>2,899,281</u>
FPSCM14	\$2,099,992	<b>FAMILY PRESERVATION SERVICES</b>		
		US DHHS - Temporary Assistance to Needy Families	93.558	621,563
		US DHHS - Child Welfare Services	93.645	78,346
		US DHHS - Chafee Foster Care Independence Program	93.674	43,511
		US DHHS - Promoting Safe and Stable Families	93.556	85,306
		US DHHS - Foster Care-Title IV-E	93.658	541,673
		US DHHS - Adoption Assistance	93.659	254,528
		US DHHS - Child Abuse and Neglect State Grants	93.669	3,884
		State Department of Children and Families - In Home	60.074	174,005
		State Department of Children and Families - Out of Home	60.075	289,499
		State Department of Children and Families - Independent Living	60.112	7,678
				<u>2,099,992</u>
FPSE14	\$288,200	<b>FAMILY PRESERVATION SERVICES</b>		
		US DHHS - Child Welfare Services	93.645	4,733
		US DHHS - Temporary Assistance for Needy Families	93.558	61,366
		US DHHS - Promoting Safe and Stable Families	93.556	162,845
		US DHHS - Foster Care - Title IV-E	93.658	17,103
		US DHHS - Adoption Assistance	93.659	8,037
		US DHHS - Child Abuse and Neglect State Grants	93.669	2,910
		State Department of Children and Families - In Home	60.074	22,065
		State Department of Children and Families - Out of Home	60.075	9,141
				<u>\$ 288,200</u>



## SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.

## SCHEDULE OF SUBRECIPIENT ACTIVITY (CONTINUED)

YEAR ENDED JUNE 30, 2014

Contract Number	Grant/Contract Amount	Subrecipient/Program Title	CFDA/CSFA Number	Amount Awarded to Subrecipient
MGCCMI4	\$1,648,306	<b>MANATEE GLENS CORPORATION</b>		
		US DHHS - Temporary Assistance to Needy Families	93.558	\$ 450,900
		US DHHS - Child Welfare Services	93.645	58,224
		US DHHS - Promoting Safe and Stable Families	93.556	91,369
		US DHHS - Chafee Foster Care Independence Program	93.674	85,722
		US DHHS - Foster Care-Title IV-E	93.658	409,782
		US DHHS - Adoption Assistance	93.659	192,554
		US DHHS - Child Abuse Prevention and Treatment	93.669	1,648
		State Department of Children and Families - In Home	60.074	123,966
		State Department of Children and Families - Out of Home	60.075	219,010
		State Department of Children and Families - Independent Living	60.112	15,127
				<u>1,648,301</u>
WATNM14	\$198,417	<b>WEST COAST ACCESS TO CHILDREN'S HEALTHCARE, INC.</b>		
		US DHHS - Medicaid Assistance Program	93.778	<u>198,417</u>
CAMOHCS13		<b>RATE AGREEMENT OUT OF HOME CARE RESIDENTIAL FACILITIES</b>		
		US DHHS - Foster Care-Title IV-E	93.658	84,480
		US DHHS - Promoting Safe and Stable Families	93.556	219
		US DHHS - Child Welfare Services	93.645	1,734
		US DHHS - Adoption Assistance	93.659	7,560
		US DHHS - Block Grants for Community Mental Health Services	93.958	189,452
		US DHHS - Temporary Assistance to Needy Families	93.558	14,195
		US DHHS - Social Services Block Grant	93.667	47,908
		State Department of Children and Families - In Home	60.074	1,787
		State Department of Children and Families - Out of Home	60.075	63,303
				<u>410,637</u>
FLMOHCS13		<b>RATE AGREEMENT OUT OF HOME CARE RESIDENTIAL FACILITIES</b>		
		US DHHS - Foster Care-Title IV-E	93.658	35,329
		US DHHS - Promoting Safe and Stable Families	93.556	134
		US DHHS - Child Welfare Services	93.645	1,058
		US DHHS - Adoption Assistance	93.659	4,592
		US DHHS - Block Grants for Community Mental Health Services	93.958	27,362
		US DHHS - Temporary Assistance to Needy Families	93.558	8,647
		US DHHS - Social Services Block Grant	93.667	18,436
		State Department of Children and Families - In Home	60.074	1,112
		State Department of Children and Families - Out of Home	60.075	35,854
				<u>\$ 132,523</u>

SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.

SCHEDULE OF SUBRECIPIENT ACTIVITY (CONTINUED)

YEAR ENDED JUNE 30, 2014

Contract Number	Grant/Contract Amount	Subrecipient/Program Title	CFDA/CSFA Number	Amount Awarded to Subrecipient
CHMOHCRI3		<b>RATE AGREEMENT OUT OF HOME CARE RESIDENTIAL FACILITIES</b>		
		US DHHS - Foster Care-Title IV-E	93.658	\$ 8,901
		US DHHS - Promoting Safe and Stable Families	93.556	35
		US DHHS - Child Welfare Services	93.645	274
		US DHHS - Adoption Assistance	93.659	1,204
		US DHHS - Block Grants for Community Mental Health Services	93.958	8,116
		US DHHS - Temporary Assistance to Needy Families	93.558	2,249
		US DHHS - Social Services Block Grant	93.667	4,611
		State Department of Children and Families - In Home	60.074	271
		State Department of Children and Families - Out of Home	60.075	5,067
				<u>30,728</u>
Children's Home of Pooghkeepsie		<b>OUT OF HOME CARE RESIDENTIAL FACILITIES</b>		
	<b>RATE AGREEMENT</b>	US DHHS - Foster Care-Title IV-E	93.658	2,360
		US DHHS - Promoting Safe and Stable Families	93.556	19
		US DHHS - Child Welfare Services	93.645	149
		US DHHS - Adoption Assistance	93.659	805
		US DHHS - Temporary Assistance to Needy Families	93.558	1,332
		US DHHS - Social Services Block Grant	93.667	853
		State Department of Children and Families - Out of Home	60.075	1,618
				<u>7,136</u>
FAMILIES FIRST	<b>RATE AGREEMENTS</b>	<b>OUT OF HOME CARE RESIDENTIAL FACILITIES</b>		
		US DHHS - Foster Care-Title IV-E	93.658	27,420
		US DHHS - Promoting Safe and Stable Families	93.556	128
		US DHHS - Child Welfare Services	93.645	1,012
		US DHHS - Adoption Assistance	93.659	4,577
		US DHHS - Block Grants for Community Mental Health Services	93.958	9,710
		US DHHS - Temporary Assistance to Needy Families	93.558	8,401
		US DHHS - Social Services Block Grant	93.667	13,393
		State Department of Children and Families - In Home	60.074	877
		State Department of Children and Families - Out of Home	60.075	24,976
				<u>\$ 90,494</u>

SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.

SCHEDULE OF SUBRECIPIENT ACTIVITY (CONTINUED)

YEAR ENDED JUNE 30, 2014

Contract Number	Grant/Contract Amount	Subrecipient/Program Title	CFDA/CSFA Number	Amount Awarded to Subrecipient
KINOHCS13	RATE AGREEMENTS	OUT OF HOME CARE RESIDENTIAL FACILITIES		
		US DHHS - Foster Care-Title IV-E	93.658	85,886
		US DHHS - Promoting Safe and Stable Families	93.556	320
		US DHHS - Child Welfare Services	93.645	2,539
		US DHHS - Adoption Assistance	93.659	10,826
		US DHHS - Block Grants for Community Mental Health Services	93.958	56,082
		US DHHS - Temporary Assistance to Needy Families	93.558	20,608
		US DHHS - Social Services Block Grant	93.667	44,984
		State Department of Children and Families - In Home	60.074	2,855
		State Department of Children and Families - Out of Home	60.075	119,094
				<u>343,195</u>
DEVEREUX	RATE AGREEMENTS	OUT OF HOME CARE RESIDENTIAL FACILITIES		
		US DHHS - Foster Care-Title IV-E	93.658	18,981
		US DHHS - Block Grants for Community Mental Health Services	93.958	64,657
		US DHHS - Social Services Block Grant	93.667	12,634
		State Department of Children and Families - Out of Home	60.075	10,075
				<u>106,347</u>
VARIOUS	RATE AGREEMENTS	OUT OF HOME CARE RESIDENTIAL FACILITIES		
		US DHHS - Foster Care-Title IV-E	93.658	1,074,320
		US DHHS - Social Services Block Grant	93.667	715,094
		State Department of Children and Families - Out of Home	60.075	570,220
				<u>2,359,634</u>
Total Funding to Subrecipients				<u>\$ 10,614,885</u>

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE AND LOCAL FINANCIAL ASSISTANCE**

**BY GRANT/CONTRACT NUMBER**

**YEAR ENDED JUNE 30, 2014**

Grantor/Pass-Through Grantor/ Program or Cluster Title	Grant/Contract Number	Grant/Contract or Award Amount	Total Reimbursable Expenditures
<b>U.S. Department of Health and Human Services</b>			
Passed-through Florida Department of Children and Families Services:			
Temporary Assistance for Needy Families	QJ2B0	\$ 26,030,063	\$ 2,533,806
Grants to States for Access and Visitation Programs	QJ2B0	26,030,063	35,037
Child Abuse and Neglect State Grants	QJ2B0	26,030,063	14,175
Promoting Safe and Stable Families	QJ2B0	26,030,063	541,825
Promoting Safe and Stable Families - IV-B, Part II Caseworkers	QJ2B0	26,030,063	44,505
Adoption Assistance	QJ2B0	26,030,063	2,999,648
Medical Assistance Program	QJ2B0	26,030,063	78,535
Chafee Foster Care Independence Program	QJ2B0	26,030,063	94,321
Chafee Education and Training Vouchers Program (ETV)	QJ2B0	26,030,063	40,622
Block Grants for Community Mental Health Services	QJ2B0	26,030,063	-
Foster Care-Title IV-E	QJ2B0	26,030,063	5,364,464
Social Services Block Grant	QJ2B0	26,030,063	1,277,129
Stephanie Tubbs Jones Child Welfare Services Program	QJ2B0	26,030,063	362,756
Adoption Incentive Payments	QJ2B0	26,030,063	32,103
			<u>13,418,926</u>
Basic Center Grant - Runaway and Homeless Youth '14	90CY2467-03-00	132,500	<u>33,677</u>
Passed-through Community Based Care Lead Agencies:			
Foster Care-Title IV-E	N/A	Rate Agreement	2,504
Social Services Block Grant	N/A	Rate Agreement	1,667
			<u>4,171</u>
Passed-through the Florida Department of Education / University of South Florida:			
Temporary Assistance for Needy Families Sarasota	5830-1397-00-G	107,500	107,500
Temporary Assistance for Needy Families Desoto	5830-1397-00-A	98,000	98,000
			<u>205,500</u>
Passed-through the Agency for Workforce Innovation			
Child Care Mandatory and Matching Funds of the Childcare and Development Fund	Hardee	Rate Agreement	\$ <u>16,269</u>

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE AND LOCAL FINANCIAL ASSISTANCE (CONTINUED)  
BY GRANT/CONTRACT NUMBER (CONTINUED)  
YEAR ENDED JUNE 30, 2014**

Grantor/Pass-Through Grantor/ Program or Cluster Title	Grant/Contract Number	Grant/Contract or Award Amount	Total Reimbursable Expenditures
<b>U.S. Department of Education</b>			
Passed-through School Board of Sarasota County:			
Education for Homeless Children and Youth '13	N/A	\$ 95,000	\$ -
Education for Homeless Children and Youth '14	N/A	90,250	89,867
			<u>89,867</u>
Title I Grants to Local Educational Agencies '13	N/A	75,000	10,598
Title I Grants to Local Educational Agencies '14	N/A	75,000	64,881
			<u>75,479</u>
Triad Alternative Program - Title I '14	N/A	Cost reimbursement	<u>107,595</u>
<b>U.S. Department of Agriculture</b>			
Passed-through Florida Department of Health:			
Child and Adult Care Food Program '13	A-1413	Rate Agreement	690
Child and Adult Care Food Program '14	A-1413	Rate Agreement	3,583
			<u>4,273</u>
<b>U.S. Department of Homeland Security</b>			
Passed-through the United Way of Sarasota County:			
Emergency Food and Shelter National Board Program	LRO171400-021	11,460	<u>9,400</u>
<b>U.S. Department of Labor</b>			
Passed-through the Suncoast Workforce Board, Inc.:			
Afterschool workforce Services for In-School Youths 16-18	13-21	17,090	28,425
<b>Florida Department of Juvenile Justice</b>			
Passed-through the Florida Network of Youth and Family Services:			
Children and Families in Need of Services '13	N/A	889,425 +TITLE IV-E	\$ 181,932
Children and Families in Need of Services '14	N/A	890,123 +TITLE IV-E	818,718
Probation Respite	N/A	Rate agreement	5,838
			<u>1,006,488</u>



**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE AND LOCAL FINANCIAL ASSISTANCE (CONTINUED)**  
**BY GRANT/CONTRACT NUMBER (CONTINUED)**  
**YEAR ENDED JUNE 30, 2014**

Grantor/Pass-Through Grantor/ Program or Cluster Title	Grant/Contract Number	Grant/Contract or Award Amount	Total Reimbursable Expenditures
<b>Florida Department of Education</b>			
Passed-through YMCA of West Central Florida, Inc.:			
Y Reads! Statewide Coordinator	N/A	\$ 64,467	\$ -
Y Reads! Booker	N/A	44,580	45,775
			<u>45,775</u>
<b>Florida Department of Children and Families</b>			
Community Based Care Supports	N/A	49,278	55,730
In Home	QJ2B0	25,181,599	116,804
Out of Home	QJ2B0	25,181,599	447,472
Independent Living	QJ2B0	25,181,599	281,815
In Home	QJ2B0	26,030,063	1,742,084
Out of Home	QJ2B0	26,030,063	2,710,584
Independent Living	QJ2B0	26,030,063	420,834
			-
Passed-through Community Based Care Lead Agencies:			-
Out of Home	N/A	Rate Agreement	1,329
			-
			<u>5,776,652</u>
<b>Sarasota County, Florida</b>			
Grants-in-Aid:			
Youth and Family Services, Y-Achievers, HIPPY and Operation Graduation '13	2013-191	212,000	54,665
Youth and Family Services, Y-Achievers, HIPPY and Operation Graduation '14	2014-173	210,000	148,443
			<u>203,108</u>
<b>School Board of Sarasota County</b>			
Triad Alternative Program '13	N/A	\$ 925,528	\$ 189,371
Triad Alternative Program '14	N/A	1,051,619	920,542
			<u>1,109,913</u>
			<u>\$ 22,135,518</u>

CONTRACT COMPLIANCE

**CONTRACT COMPLIANCE****REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS****INDEPENDENT AUDITOR'S REPORT**

The Board of Directors  
Sarasota Family Young Men's Christian Association, Inc.  
Sarasota, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the provisions of the Florida Single Audit Act in accordance with Chapter 98-91 of the Laws of Florida and Section 215.97 of the Florida Statutes, the financial statements of Sarasota Family Young Men's Christian Association, Inc., which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 19, 2014.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Sarasota Family Young Men's Christian Association, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sarasota Family Young Men's Christian Association, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Sarasota Family Young Men's Christian Association, Inc.'s internal control.

*A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Sarasota Family Young Men's Christian Association, Inc.'s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.*

The Board of Directors  
Sarasota Family Young Men's Christian Association, Inc.  
Sarasota, Florida

### **Internal Control over Financial Reporting (Continued)**

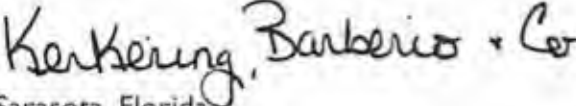
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Sarasota Family Young Men's Christian Association, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Sarasota, Florida  
November 19, 2014



Kerkering, Barberio & Co.  
Certified Public Accountants

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND  
STATE PROJECT; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;  
AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE  
AWARDS REQUIRED BY OMB CIRCULAR A-133 AND THE FLORIDA SINGLE  
AUDIT ACT**

**INDEPENDENT AUDITOR'S REPORT**

The Board of Directors  
Sarasota Family Young Men's Christian Association, Inc.  
Sarasota, Florida

**Report on Compliance for Each Major Federal Program and State Project**

We have audited Sarasota Family Young Men's Christian Association, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and provisions of the Florida Single Audit Act in accordance with Chapter 98-91 of the Laws of Florida and Section 215.97 of the Florida Statutes that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2014. Sarasota Family Young Men's Christian Association, Inc.'s Major Federal Programs and State Projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Sarasota Family Young Men's Christian Association, Inc.'s Major Federal Programs and State Projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and the Florida Single Audit Act. Those standards, and OMB Circular A-133 and Florida Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about Sarasota Family Young Men's Christian Association, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.



The Board of Directors  
Sarasota Family Young Men's Christian Association, Inc.  
Sarasota, Florida

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the Sarasota Family Young Men's Christian Association, Inc.'s compliance.

#### **Opinion on Each Major Federal Program**

In our opinion, Sarasota Family Young Men's Christian Association, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2014.

#### **Report on Internal Control Over Compliance**

Management of Sarasota Family Young Men's Christian Association, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Sarasota Family Young Men's Christian Association, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Sarasota Family Young Men's Christian Association, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the Florida Single Audit Act. Accordingly, this report is not suitable for any other purpose.

The Board of Directors  
Sarasota Family Young Men's Christian Association, Inc.  
Sarasota, Florida

**Report on Schedule of Expenditures of Federal Awards and State and Local Financial Assistance Required by OMB Circular A-133 and the Florida Single Audit Act**

We have audited the financial statements of Sarasota Family Young Men's Christian Association, Inc. as of and for the year ended June 30, 2014, and have issued our report thereon dated November 19, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state and local financial assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and the Florida Single Audit Act and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Kerkerung Barberio + Co.*

Sarasota, Florida  
November 19, 2014

**Sarasota Family Young Men's Christian Association, Inc.**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2014**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: unmodified

Internal control over financial reporting:

    < Material weakness(es) identified?      yes   X   no

    < Significant deficiency(ies) identified?      yes   X   none reported

Noncompliance material to financial statements noted?      yes   X   no

**Federal Awards and State Awards**

Internal control over major programs and projects:

    < Material weakness(es) identified?      yes   X   no

    < Significant deficiency(ies) identified?      yes   X   none reported

Type of auditor's report issued on compliance for major programs and major projects: unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 and the provisions of the Florida Single Audit Act in accordance Chapter 98-91 of the Laws of Florida and Section 215.97 of the Florida Statutes?      yes   X   no

**Identification of Major Programs and Projects:**

<b>CFDA Numbers</b>	<b>Name of Federal Program or Cluster</b>
93.558, 93.597, 93.669, 93.556, 93.659, 93.778, 93.674, 93.599, 93.658, 93.958, 93.667, 93.645, 93.603	Foster Care

84.196A	Education for Homeless Children and Youth
84.010	Title I Grants to Local Educational Agencies

<b>CSFA Numbers</b>	<b>Name of State Project</b>
80.005	Children and Families in Need of Services
60.094	Foster Care Community Based Support

Dollar threshold used to distinguish between type A and type B Federal programs: \$ 775,579

Dollar threshold used to distinguish between type A and type B State projects: \$ 34,053

Auditee qualified as low-risk auditee?   X   yes      no

**Section II - Financial Statement Findings**

None

**Section III - Findings and Questioned Costs For Federal and State Awards**

None

**Sarasota Family Young Men's Christian Association, Inc.**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2014**

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**Section IV - Summary Schedule of Prior Audit Findings**

None

**Section V - Other**

There are no comments or findings that are required to be included in a management letter by Section 215.97(8)(f) and 215.97(9)(d) of the Florida Statutes, Auditor General Rule 10.654(1)(e) or 10.656(3)(e).